

NSC BRIEFING

25X1 17 August 1959

MOROCCO

- I. King Mohamed V's abrupt return to Morocco from France (departed Paris 2 Aug arrived Tangier 4 Aug) without meeting De Gaulle apparently dictated primarily by progressively worsening crisis at home.
 - A. Some indications that Ibrahim government opposed King's meeting with De Gaulle so shortly before UN General Assembly takes up Algerian issue, which is paramount problem in Moroccan-French relations.
- II. Country in throes of financial paralysis arising from Paris' freeze imposed 1 July on Moroccan operations account. This may have been somewhat alleviated by delivery of \$15 million installment on US economic aid loan to Morocco. France opposed transfer of these funds at this time.
 - A. France seeks to force Morocco to devalue currency and realign Moroccan with French franc (latter devalued from 420 to 494 per \$1 last Dec).
 - B. Morocco wants to leave Franc zone; now holding conversations with Tunisia which embroiled with France on similar issue.
 - C. Although recognizing economic need to devalue, Moroccan officials fear political upheaval, which presumably would be spearheaded by left-wing groups. These groups demand economic independence from France as well as total evacuation all foreign troops (French--25,000; Spanish--8,000; and American--10,800).

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- D. Soviet-Moroccan talks reported on possibility of Soviet financial aid.
- [Redacted]

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Moroccan press 17 August announced Morocco seeking \$37.5 million in aid from USSR.

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III. Antipathy toward France heightened by reported violations of Moroccan territory by Algeria-based French Army units and governmental difficulties compounded by Algerian rebels' kidnapping on 31 July of French and Moroccan members of mixed commission en route to investigate incident.

IV. Moroccan labor union and irregular forces--some now in process of being absorbed into Royal Army--attempting to exert maximum pressure on Government to support their programs, while Government seeking to curb subversive potentialities of groups.

V. Ibrahim government likely eventually to be reshuffled or replaced. King, who is still dominant figure on Moroccan scene, has long desired broadly based largely non-political government.

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VI. No progress on status of American airbases.

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A. Moroccans still press for formal declaration of intention to evacuate and for specific agreement on tenure.

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B. France and Spain pressing US to make no concessions re bases to Moroccans. French, in fact, have imposed unacceptable conditions to US proposed gestures which might have beneficial effect on Moroccan Government--phaseout of Boulhaut base and transfer of command headquarters from Rabat [redacted]

C. Press of both Istiqlal factions demanding government seek total evacuation; both factions now hint--in line with Communist press demands--at possibility of resorting to direct popular action against foreign bases and troops.

1. Harassment of rotation and supply of Spanish troops reported continuing in spite of recent agreement to reduce Spanish forces in Morocco from 11,000 to 8,000.

VII. Morocco has also made formal pitch--but without purchase list--for US equipment, and has accepted offer of military survey team.

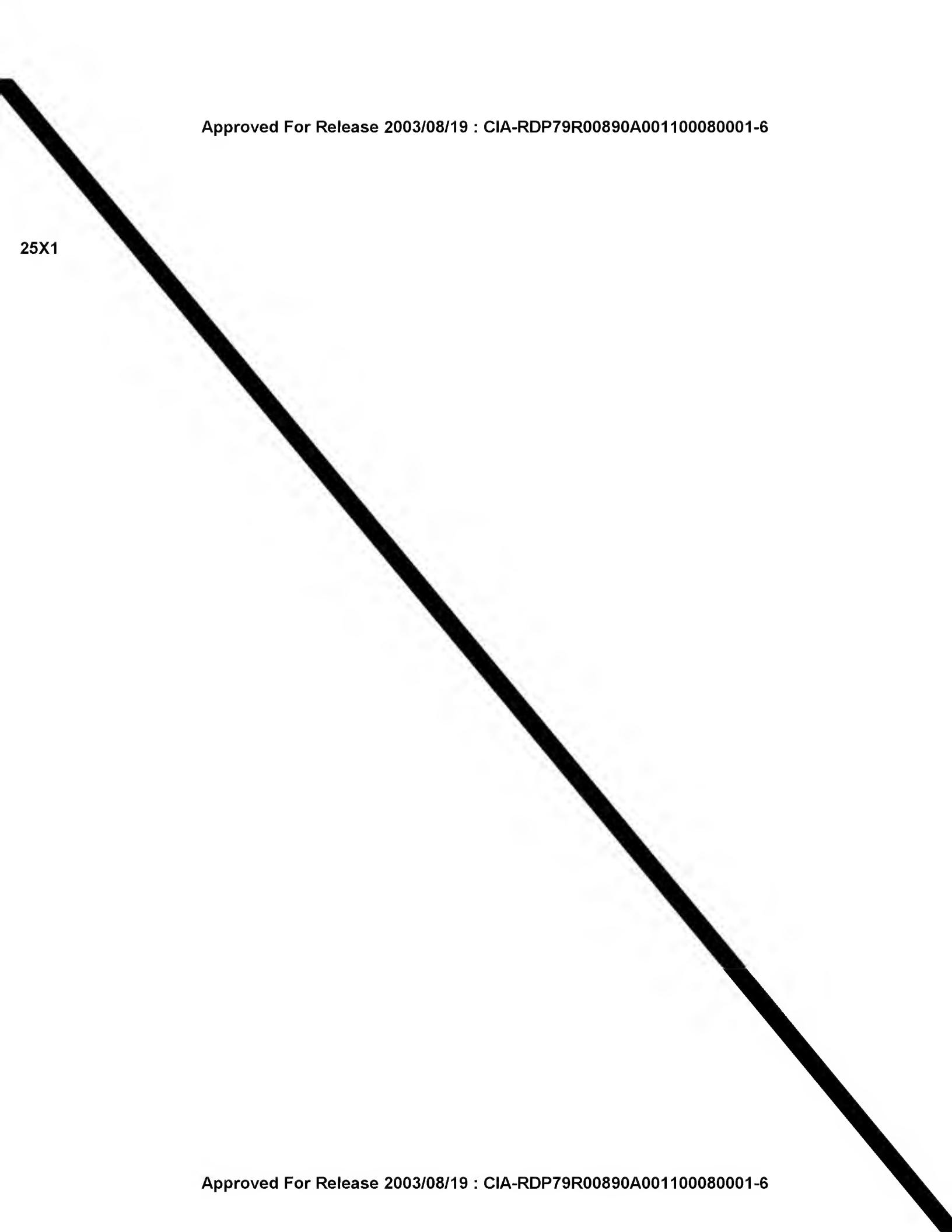
A. Both France and Spain oppose supply of US arms, argue that shipment would directly or indirectly aid Algerian rebels, whom French claim are suffering shortage of ammunition.

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B. If Moroccan request unsatisfied, Government may again turn to Soviet bloc as it did last year when Balafrej government ordered Czech arms (confiscated on even of arrival by French navy).

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